

Agreement on the Linking of Balancing Groups pursuant to Section 17(3) of the Balancing Group Contract Terms & Conditions

1 Object of Agreement

1. This Agreement sets out the provisions for the netting of the data series listed in and transferred pursuant to paragraph (3) below between a Balancing Group (the “Subordinate Balancing Group”) and another Balancing Group to which it is linked (the “Master Balancing Group”) in accordance with the provisions set out in section 17 of the Balancing Group Contract.
2. Netting pursuant to paragraph (1) above is only permitted between Balancing Groups that are registered in the same market area. Linking arrangements may only be agreed as between Balancing Groups registered as using freely combinable capacity (“freely allocable”, status “FAC”) or as between a Balancing Group registered with the status “dynamically allocable” (“DAC”) and one or several FAC Balancing Groups. Additional details may be set out in the Market Area Manager’s supplementary terms and conditions.
3. The following types of data series shall be transferred from the Subordinate Balancing Group to the Master Balancing Group linked in each case: the data series specifying the Subordinate Balancing Group’s RLM Quantity Differences, the data series specifying the Subordinate Balancing Group’s Daily Imbalance Quantities, the data series specifying the Subordinate Balancing Group’s biogas flexibility quantities, the data series specifying the Subordinate Balancing Group’s biogas imbalance quantities, the data series specifying the Subordinate Balancing Group’s offtake quantities that are subject to Balancing Neutrality Charges and the data series specifying the Subordinate Balancing Group’s tolerance limits applicable for the purposes of the hourly incentive mechanism.

2 Cascading of Balancing Groups via Linking Arrangements

1. A cascade of Balancing Groups is created once any Subordinate Balancing Group linked to a Master Balancing Group is linked to additional, lower-level Subordinate Balancing Groups. Each Master Balancing Group may be vertically linked with Subordinate Balancing Groups on up to 10 levels. Netting within the Master Balancing Group pursuant to section 1(1) above shall in this case be effected by first offsetting the balances determined for each lower-level Subordinate Balancing Group with the balances determined for the higher-level Subordinate Balancing Group to which it is linked and transferring these net balances through to the relevant Master Balancing Group on a level-by-level basis.
2. The Market Area Manager shall have no obligation to alert the Balancing Group Manager responsible for the Master Balancing Group designated in each case to any other

Balancing Groups that are, may or will be linked to any Subordinate Balancing Group linked to the Master Balancing Group (vertical linking chain).

3. Cascaded linking arrangements are not permitted with respect to DAC Balancing Groups.

3 Provisions for Biogas Balancing Groups

1. Biogas Balancing Groups may be linked by means of a Master Balancing Group. The available flexibility limits and the balances determined for each such Biogas Balancing Group shall be applied in aggregate to the relevant Master Balancing Group for all Biogas Balancing Groups linked to the Master Balancing Group. Flexibility or imbalance transfers to other Biogas Balancing Groups may thus only be effected from the Master Balancing Group itself. All interlinked Balancing Groups must have the same Biogas Balancing Period end dates; the Biogas Balancing Period start dates may vary.
2. Netting pursuant to paragraph (1) above between Biogas Balancing Groups may only take place if all Balancing Groups covered by the relevant linking arrangements are registered as Biogas Balancing Groups.
3. Biogas Balancing Groups cannot be registered with the status “DAC”.

4 Miscellaneous Provisions

1. Except as otherwise agreed herein, all other rights and obligations the Balancing Group Managers responsible for the Master Balancing Group and Subordinate Balancing Group linked in each case have under their respective Balancing Group Contracts shall remain unaffected.
2. This Agreement shall not affect the right of the Balancing Group Manager responsible for the Subordinate Balancing Group to grant authorisations for the assignment of Entry and/or Exit Points to the Subordinate Balancing Group. Any such authorisation to assign Entry and/or Exit Points to the Subordinate Balancing Group shall continue to be granted directly by the Balancing Group Manager who has registered the Subordinate Balancing Group.
3. The data series listed in section 1(3) above may be transferred to more than one Master Balancing Group on a pro-rata basis (“Pro Rata Apportionment”) in accordance with the Market Area Manager’s supplementary terms and conditions.
4. Each DAC Balancing Group must be linked with one or several FAC Balancing Groups. The Market Area Manager shall have the right to temporarily suspend such linking arrangements. In the event that the linking arrangements are to be temporarily suspended, the relevant TSO will notify the Market Area Manager thereof by sending a message to this effect to the Market Area Manager in an electronically processable format. The Market Area Manager shall forward this message to the Balancing Group Managers concerned without undue delay. Where a link between Balancing Groups is temporarily

suspended, it will remain ineffective until the end of the gas day (on a rest-of-the-day basis) on which the Balancing Group Manager having registered the DAC Balancing Group in question and the Balancing Group Manager having registered the Balancing Group directly linked to that DAC Balancing Group received notice of the temporary suspension from the Market Area Manager in an electronically processable format. Any such temporary suspension shall not be deemed to amount to a termination of the linking arrangements in place. The DAC Balancing Group affected in each case will be settled separately in the remaining hours of the relevant gas day falling after the point in time when the temporary suspension takes effect. The link between the relevant Balancing Groups will automatically be re-established at the start of the next gas day following the gas day of the temporary suspension, unless the Market Area Manager has been instructed in compliance with the applicable lead time to temporarily suspend the linking arrangements on that gas day, too.

5 Term, Effect of Linking Arrangements, Termination

1. Except as otherwise agreed, this Agreement shall run for an indefinite period of time. The minimum term for linking arrangements between Balancing Groups shall be 1 month.
2. The linking arrangements agreed in relation to the Balancing Groups covered by this Agreement, including the netting mechanism set out herein, shall take effect on expiry of an Implementation Period of 10 Business Days.
3. Each Party shall have the right to terminate this Agreement at any time by giving 10 Business Days' prior notice to the other Parties by letter, email or fax. Provided the Market Area Manager offers this option, the Balancing Group Managers may also terminate this Agreement by giving notice thereof via the Market Area Manager's web portal.
4. This Agreement shall terminate automatically if and once either of the Balancing Group Contracts governing the Master Balancing Group and Subordinate Balancing Group linked in each case comes to an end or becomes invalid.

6 Index of Appendices

The appendix listed below shall constitute an integral part of this Agreement:

Appendix Definitions

Appendix: Definitions

1. “**D**” as used in relation to a day means the day of delivery (the “**Delivery Day**”).
2. “**Business Day**” as used in relation to any deadline, and as opposed to the definition given in section 2, No. 16 of the German Gas Third-Party Access Regulations (*GasNZV*), means any day other than a Saturday, Sunday or public holiday. Any day recognised as a public holiday in any German state shall be considered a national holiday. The 24th and 31st of December shall always be deemed to be public holidays.